

Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

| | | |
|--|--|--------------------------|
| LRB Number 09-2827/1 | Introduction Number SB-302 | |
| Description Powersports vehicle manufacturers, distributors, and dealers and providing a penalty | | |
| Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div> | | |
| Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS | | |
| Agency/Prepared By DA/ Phil Werner (608) 267-2700 | Authorized Signature Tom Herman (608) 266-0239 | Date 9/30/2009 |

Fiscal Estimate Narratives

DA 9/30/2009

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|--|------------------|---------------------|---------------|---------------|-----------------|
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| Description | | | | | |
| Powersports vehicle manufacturers, distributors, and dealers and providing a penalty | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

Should this bill be enacted, prosecutors anticipate a small fiscal impact.

Long-Range Fiscal Implications

Prosecutors anticipate a small long-term fiscal impact if this bill is enacted.

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| <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.115(1)(a) | | | |
| Agency/Prepared By | | Authorized Signature | |
| DATCP/ Kevin LeRoy (608) 224-4928 | | Bill Walker (608) 224-4353 | |
| | | Date | |
| | | 9/29/2009 | |

Fiscal Estimate Narratives
DATCP 9/29/2009

| | | | | | |
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| LRB Number | 09-2827/1 | Introduction Number | SB-302 | Estimate Type | Original |
| Description Powersports vehicle manufacturers, distributors, and dealers and providing a penalty | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill regulates portions of the business relationship between powersports vehicle dealers and the distributors or manufacturers who sell to them.

Under this bill, The Department of Agriculture, Trade and Consumer Protection (DATCP) is responsible for maintaining compliance and, along with DOJ and district attorneys, bringing court actions for violations.

We estimate that the net annual fiscal effect of these responsibilities would increased cost to DATCP of about \$4,200.

We arrive at this estimate by assuming that fully investigating alleged violations of this law would require an average of roughly 60 hours of total employee time. (This includes time by auditors and supervisory managers.) We further assume that these investigations would occur at a rate of 1 or 2 per year. This leads us to roughly 90 employee hours of staff time per year (1.5 investigations X 60 hours per investigation).

In addition to auditing and investigation alleged violations, we assume that DATCP would also be regularly called upon, by both dealers and distributor/manufactures, to help affected parties determine whether or not certain practices constitute violations of the statute. Our estimate includes roughly 20 employee hours per year to provide this service.

Therefore, our fiscal estimate is based on a total of 110 employee hours per year. We will assume that the cost of each employee hour is roughly \$38.50. This hourly rate includes salary (for professional level auditors and supervisors) and fringe benefits, and all supplies & services expenses typically associated with compliance program employees. Multiplying 110 hours by \$38.50 equals \$4,235. We round this amount to the nearest thousand to reflect the imprecise nature of an estimate that is built on unknowable assumptions.

Summary:

Average 1.5 investigations per year (@ 60 hours per investigation)
Average of 20 hours per year in outreach and education
Total average of 110 hours per year @38.50/hr = approx. \$4,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): | | | |
| II. Annualized Costs: | | Annualized Fiscal Impact on funds from: | |
| | | Increased Costs | Decreased Costs |
| A. State Costs by Category | | | |
| State Operations - Salaries and Fringes | \$3,500 | \$ | |
| (FTE Position Changes) | | | |
| State Operations - Other Costs | 500 | | |
| Local Assistance | | | |
| Aids to Individuals or Organizations | | | |
| TOTAL State Costs by Category | \$4,000 | \$ | |
| B. State Costs by Source of Funds | | | |
| GPR | 4,000 | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | | |
| | Increased Rev | Decreased Rev | |
| GPR Taxes | \$ | \$ | |
| GPR Earned | | | |
| FED | | | |
| PRO/PRS | | | |
| SEG/SEG-S | | | |
| TOTAL State Revenues | \$ | \$ | |
| NET ANNUALIZED FISCAL IMPACT | | | |
| | State | Local | |
| NET CHANGE IN COSTS | \$4,000 | \$ | |
| NET CHANGE IN REVENUE | \$ | \$ | |
| | | | |
| Agency/Prepared By | | Authorized Signature | Date |
| DATCP/ Kevin LeRoy (608) 224-4928 | | Bill Walker (608) 224-4353 | 9/29/2009 |

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| Agency/Prepared By | | Authorized Signature | |
| DOJ/ Mark Rinehart (608) 264-9463 | | Mark Rinehart (608) 264-9463 | |
| | | Date | |
| | | 9/30/2009 | |

Fiscal Estimate Narratives

DOJ 9/30/2009

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Assumptions Used in Arriving at Fiscal Estimate

2009 Senate Bill 302 creates s. 218.60-63, Wis. Stats, regulating the relationship between powersports vehicle manufacturers and distributors, and powersports vehicle dealers.

Under current law, the Department of Agriculture, Trade and Consumer Protection (DATCP) is directed to enforce various trade practice regulations. Also under current law, the Department of Justice (DOJ) is required to furnish all legal services required by DATCP relating to the enforcement of many of those regulations. In practice, DATCP receives trade practice complaints, investigates the complaints, and attempts to mitigate the complaints. If DATCP's attempt to resolve a complaint is unsuccessful, DATCP refers the complaint to DOJ for prosecution.

SB 302 requires DATCP to investigate violations of s. 218.61. The bill also provides that DATCP, DOJ, or any district attorney may enforce s. 218.61. The Department of Justice assumes that enforcement of most, if not all, violations of s. 218.61 would be handled much like current violations of trade practice regulations as described above. However, DOJ is not aware of any information that accurately indicates how many new cases DATCP will refer to DOJ for prosecution under the provisions of SB 302.

If the number of new referrals to DOJ is significant, the department will require additional resources to handle the increased caseload.

Long-Range Fiscal Implications